

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Investigation into the Gas Market Activities of Southern California Gas Company, San Diego Gas and Electric, Southwest Gas, Pacific Gas and Electric, and Southern California Edison and their impact on the Gas Price Spikes experienced at the California Border from March 2000 through May 2001.

Investigation 02-11-040
(Filed November 21, 2002)

Order Instituting Investigation whether San Diego Gas & Electric Company, Southern California Gas Company and their holding company, Sempra Energy, respondents, have complied with relevant statutes and Commission decisions, pertaining to respondents' holding company systems and affiliate activities.

Investigation 03-02-033
(Filed February 27, 2003)

**ADMINISTRATIVE LAW JUDGE'S RULING
FOLLOWING LAW AND MOTION HEARING ON DISCOVERY**

A law and motion hearing was held on May 14 and continued to June 2, 2004 (telephone conference call), before Administrative Law Judge (ALJ) John E. Thorson and ALJ Charlotte Terkeurst on unresolved discovery problems concerning Sempra Energy Trading Corp.'s (SET) recovery, review, and delivery of email documents pursuant to Southern California Edison's (SCE) subpoena *duces tecem*. On both days, Alan Yudkowsky and Daniel Hecht of Strook & Strook & Lavan LLP (Strook), attorneys for SET, and Leon Bass, Jr., and Walker

Matthews, attorneys for SCE, appeared and presented extensive, detailed commentary on the email recovery and review problem. During the May 14 hearing, SCE called Stuart J. Hanley who was sworn as an expert witness to testify about electronic data recovery technologies and costs.

After considering the presentations and arguments of counsel, SET and SCE shall undertake the following:

1. SET, through its attorneys Strook, shall assign a total of fifteen attorneys to the review and provision of emails to SCE. This is the staffing level described as feasible by SET in its email communication to the Commission dated May 21, 2004. This staffing level shall be achieved as expeditiously as is reasonably possible given the availability of contract attorneys, furniture, and commuter equipment.
2. SET, through its attorneys, shall communicate with its document recovery expert as to the feasibility of globally removing emails where search terms appear only in the affiliate disclaimer or other template portions of emails.
3. At some point, SET will have completed the review of the email sets for employees named on both the list supplied by the California Attorney General and the list supplied by SCE. For purposes of this proceeding, it is desirable for the review process thereafter to proceed in a manner that allows SET to work on both lists at the same time (even though the employees will then be different). SET, through its attorneys,

shall communicate with the Attorney General and request that office's concurrence in this procedure.

4. After SET's consultation with the Attorney General, SET and SCE shall meet, confer, and agree on the priority for processing the review of emails for the 34 employees jointly identified by SET and SCE.
5. SET and SCE shall continue to meet and confer as to procedures that may be undertaken to expedite the review and provision of emails to SCE including, but not limited to, further refinements of the search terms and using connectors between search terms to reduce the number of identified potential documents.
6. Until further ordered, SET and SCE shall report jointly on Friday of each week, commencing on June 18, 2004, as to the number of Strook attorneys conducting email review, the number of documents that have been reviewed during the preceding week, the number of documents that have been provided to SCE during the preceding week, the running number of employee email sets (complete or partial) that have been provided to SCE, a summary of any major meet and confer agreements or disagreements during that weekly period, and the status of obligations ordered in this ruling. The first report submitted on June 18 will cover the period of

June 2-18. The weekly report need not be filed but shall be sent by email to the assigned ALJ and the undersigned ALJ.

IT IS SO RULED.

Dated June 10, 2004, at San Francisco, California.

/s/ JOHN E. THORSON

John E. Thorson
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail, and by electronic mail to the parties to which an electronic mail address has been provided, this day served a true copy of the original attached Administrative Law Judge's Ruling on all parties of record in this proceeding or their attorneys of record.

Dated June 10, 2004, at San Francisco, California.

/s/ ELIZABETH LEWIS
Elizabeth Lewis

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at

I.02-11-040 JET/hl2

(415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.